

FARMLAND ASSESSMENT ACT (Greenbelt) Utah Code, 59-2-501 thru 52-2-515

If you have any questions,
please call the Assessor's Office at 738-1110.

The Utah Farmland Assessment Act (FAA, also called the Greenbelt Act) allows qualifying agricultural property to be assessed and taxed based upon its productive capability instead of the prevailing market value. This unique method of assessment is vital to agriculture operations in close proximity to expanding urban areas, where taxing agricultural property at market value could make farming operations economically prohibitive.

How is productive value determined?

Productive values are established by the Utah State Tax Commission with the assistance of a five-member Farmland Assessment Advisory Committee and the Utah State University. Productive values apply statewide and are based upon income and expense factors associated with agricultural activities. These factors are expressed in terms of value per acre for specific land classifications.

How is land classified?

Land is classified according to its capability of producing crops or forage. Capability is dependent upon soil type, topography, availability of irrigation water, growing season and other factors. The County Assessor classifies all agricultural land in the county based on SCS Soil Surveys and guidelines provided by the Tax Commission. The general classifications of agricultural land are irrigated, dryland, grazing land, orchard and meadow. If you disagree with your land classification, you can appeal to your county board of equalization for reclassification.

What does it take to qualify?

Private farmland can qualify for assessment and taxation under the Farmland Assessment Act if the land:

- is at least five contiguous acres in area. Land less than five acres may qualify where devoted to agricultural use in conjunction with other eligible acreage under identical ownership. Land used in connection with the farmhouse, such as landscaping, etc. cannot be included in the acreage for FAA eligibility.
- is actively devoted to agricultural use, and the operation is managed in such a way that there is a reasonable expectation of profit;
- has been devoted to agricultural use for at least two successive years immediately preceding the tax year in which application is made; and
- meets average annual (per acre) production requirements.

Production Requirement Defined

To qualify for the Farmland Assessment Act land must produce in excess of 50 percent of the average agricultural production per acre for the given type of land and the given county or area. To determine production levels the following sources are used: the most recent publication of Utah Agricultural Statistics; crop and enterprise budgets published by Utah State University; or standards established by the Tax Commission.

Examples:

(1) A farmer grows alfalfa. The average annual production of alfalfa in his area is four tons per

acre per year. To qualify the land must produce more than two tons per acre per year.

(2) A rancher has 10 acres of irrigated pasture which would reasonably carry 10 cows or 50 sheep through the grazing season. To qualify, he will need to graze more than five head of cattle or 25 sheep.

Exceptions

The acreage requirement may be waived if the owner can show that 80 percent or more of the owner's, purchaser's, or lessees' income is derived from agricultural products produced on the land or failure to meet the 5 acre requirement arose solely out of an eminent domain proceeding.

The production requirement will be waived if the land is involved in a bona-fide range improvement program, crop rotation program, or other similarly accepted agricultural practice which does not give reasonable opportunity to satisfy the production level requirement.

The production requirement may be waived if the owner shows that the property has been in agricultural use for the previous two years and that failure to meet the production requirement in a particular year was due to no fault or act of the owner, purchaser, or lessee.

Application Deadlines

New applications for assessment and taxation under the Utah Farmland Assessment Act must be submitted by May 1 of the tax year in which assessment is requested. Applications must be filed within 120 days because of ownership change, legal description change, assessor request, etc..

How do I apply?

An application for assessment and taxation of agricultural land under the FAA can be obtained from your County Assessor. Supporting documentation may be required such as; affidavits, lease agreements, sales receipts, production records, etc. which show the production requirement has been met for the preceding two years.

Who may apply?

Any owner of agricultural land may apply for assessment and taxation under the Farmland Assessment Act.

Can leased land qualify?

Leased land can qualify for assessment and taxation under the FAA if the acreage requirement is met and the production requirement is satisfied. A purchaser or lessee may qualify the land by submitting, along with the application from the owner, documents certifying that the production levels have been satisfied.

What happens when land is withdrawn from FAA?

When land becomes ineligible for farmland assessment (such as when it is developed or goes into non-use), the owner becomes subject to what is known as a "roll-back tax." The roll-back tax is the difference between the taxes paid while on greenbelt and the taxes which would have been paid had the property been assessed at market value. In determining the amount of rollback tax due, a maximum of five years preceding the change in use will be used. The tax rate for each of the years in question will be applied to determine the tax amount. Because land removed from Greenbelt is subject to the rollback tax, it is important to review the "market value" annually and to appeal the value if you consider it incorrect. Current law does not allow you to appeal the market value for past years.

Valuation Changes

The Utah State Tax Commission, based on a study conducted by Utah State University, has adjusted the values used for farmland assessment. The basic changes in addition to the valuation changes include:

- A system has been developed to annually update values for land assessment under the Farmland Assessment Act.
 - Under the old system land with equal productive capabilities was similarly valued by region. Under the new system land values will be individualized for each county based upon agricultural production, income, and expenses for that county.
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Land Classification Schedule Duchesne County Taxable Value Per Acre By Classification

Type of Land		2010	2011
I	IRR	\$0	\$0
II	IRR	\$505	\$508
III	IRR	\$355	\$357
IV	IRR	\$250	\$250
I	OR	\$620	\$620
II	OR	\$620	\$620
III	OR	\$620	\$620
IV	OR	\$620	\$620
IV	MSA	\$165	\$165
III	DR	\$57	\$57
IV	DR	\$21	\$21
I	GRAZE	\$70	\$70
II	GRAZE	\$23	\$23
III	GRAZE	\$14	\$14
IV	GRAZE	\$5	\$5
	NON	\$5	\$5

Note: Zeros indicate that no agricultural land of that classification exists in the county.

The table above represents agricultural use-value per acre in Duchesne County for the various classes of agricultural property.